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Many Homeowners and Renters Would Consider Allowing Their Insurer to Receive Information Through a Smart Home Device or System

MALVERN, Pa.—Nearly half of all homeowners and renters in the United States would consider allowing their insurance company to receive information about the status of their home through a smart home device or system, according to a new survey from the Insurance Research Council (IRC). Forty-five percent of those participating in the survey said they would consider allowing their insurance company to receive such information, while 31 percent said they “don’t know or were not sure” whether they would allow it. Twenty-five percent said they would not allow their insurer to receive information about their home through a networked device or system.

Smart home devices include a wide range of sensors, mechanisms, and appliances designed to perform specific tasks, such as locking or unlocking doors and windows, or monitoring specific conditions, activities, or events in a home. Smart home devices are connected directly to home wireless networks and thereby to the Internet, alerting homeowners and renters to potentially undesirable developments or situations and, in some cases, enabling homeowners and renters to control or activate a mechanism or device in the home, such as a door lock or a thermostat, regardless of their actual location. Many insurers are actively experimenting with smart home devices and applications to enable homeowners and renters to better manage risks in the home and to provide additional services to customers.

Some smart home devices and systems involve allowing an insurance company to receive limited information about the status of a policyholder’s home directly through the device or system. The survey found that many homeowners and renters are open to considering allowing an insurer to receive information about the status of their home in this manner. It also

identified attitudes and concerns that discourage some from allowing insurers to receive information about their home. For example, 48 percent of those who said they would not consider allowing their insurer to receive information through a smart home device cited a desire to protect their privacy as the primary reason. Twenty-two percent said they would not allow it because they would not be able to control how the information collected was being used.

“The findings from this survey confirm that many homeowners and renters may be eager to participate in insurer-sponsored programs involving smart home devices or systems,” said Elizabeth Sprinkel, CPCU, senior vice president of the IRC. “The survey also provides valuable insight into what insurers might do to encourage even greater participation in the future.”

The report, *Smart Home Technology: Many Express Interest, But Cost and Privacy Concerns Slow Adoption*, is based on an online survey conducted by Survey Sampling International (SSI) on behalf of the IRC. Two thousand adult homeowners and renters in the U.S. participated in the survey. All survey participants reported having a wireless network in their home. The survey was conducted during the third week of June 2017. For more information on the study’s methodology and findings, contact David Corum at 484-831-9046 or at IRC@TheInstitutes.org. Visit the IRC’s website, www.insurance-research.org, for information about purchasing a copy of the report.

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